

# ElectraMeccanica Reports Second Quarter 2021 Financial Results

VANCOUVER, British Columbia, Aug. 11, 2021 (GLOBE NEWSWIRE) -- [ElectraMeccanica Vehicles Corp. \(NASDAQ: SOLO\)](#) (“ElectraMeccanica” or the “Company”), a designer and manufacturer of electric vehicles, reported financial results for the second quarter ended June 30, 2021 in conjunction with the filing of its Quarterly Report on Form 6-K earlier today.

## Recent Company Highlights

- In August, ElectraMeccanica’s flagship **SOLO** EV was showcased to former Michigan Governor and current U.S. Secretary of Energy Jennifer Granholm at the U.S. headquarters of its engineering partner FEV North America in Auburn Hills, MI. The Secretary’s visit came as part of a broader tour through several southeastern Michigan manufacturing facilities.
- During the quarter, ElectraMeccanica took possession of its temporary processing, delivery and inspection facility in Mesa, AZ, which is located directly next to its permanent U.S. assembly facility and engineering technical center. While construction of the 235,000 square foot project continues, the Company will be able to begin staffing and vehicle processing in anticipation of a final build by the end of next year. When fully constructed and operational, the facility is expected to create up to 500 new jobs and will be capable of producing up to 20,000 **SOLOs** per year.
- Expanded the **SOLO** retail footprint into ten (10) additional high-end shopping centers and related areas as well as two (2) new states. With these additions, ElectraMeccanica now operates throughout ten (10) metropolitan areas in five (5) western states.

## Management Commentary

“As we work through the final stages of engineering enhancements, manufacturing and fulfillment infrastructure, our team has continued to lay a firm foundation for the years ahead,” said ElectraMeccanica President and CEO Paul Rivera. “Construction has begun on our U.S. assembly facility and engineering technical center in Mesa, and we’re moving full speed ahead to bring this operation online next year. Thanks to the leadership of our new COO Kevin Pavlov, we’ve made major strides to improve processes, enhance profitability and efficiency, expand throughput and map out the next evolution of vehicle line development. Like the rest of the automotive industry and global economy, we are navigating through various, well-documented supply chain issues. As we get through this interim period, the long-term backdrop of global electric vehicle adoption and new modes of transport, supported by increased legislative backing, has us confident in a bright future for the **SOLO** and ElectraMeccanica.”

## Second Quarter 2021 Financial Summary (All amounts reported in USD)

- Cash and cash equivalents and short-term deposits were \$250.0 million as of June 30, 2021, compared with \$129.5 million as of December 31, 2020. During the quarter, the Company's net cash decreased by \$10.3 million, which was a result of net cash used in operating activities of \$9.4 million and net cash used in investing activities of \$1.4 million, offset by net cash provided by financing activities was \$456,000.
- General and administrative expenses in the second quarter of 2021 were \$6.1 million, compared to \$1.5 million in the same year-ago quarter. The increase in G&A expenses was primarily due to increased rent, office, consulting, and salary expenses.
- Research and development expenses in the second quarter of 2021 were \$4.4 million, compared to \$1.4 million in the same year-ago quarter. The increase in R&D expenses was primarily due to expenses for the Company's pre-production vehicles, the **SOLO** and eRoadster, whose costs are attributed to research and development.
- Operating loss in the second quarter of 2021 was \$15.3 million, compared to an operating loss of \$4.4 million in the same year-ago quarter. The increase in operating loss was primarily due to increases in G&A, R&D and sales and marketing expenses.

Company CFO Bal Bhullar added: "ElectraMeccanica remains well capitalized and in a strong financial position with over \$250 million on our balance sheet at quarter end. Our plan for the next several months is to continue with our expanded production efforts as well as the buildout for our U.S. base of operations in Mesa, Arizona. Both initiatives are major undertakings requiring significant investment and resources. Going forward, we will continue to equally weigh our prudent expense management approach alongside our commitment to R&D and manufacturing expansion to scale."

### **About ElectraMeccanica Vehicles Corp.**

ElectraMeccanica Vehicles Corp. (NASDAQ: SOLO) is a Canadian designer and manufacturer of environmentally efficient electric vehicles (EVs). The company's flagship vehicle is the innovative, purpose-built, single-seat EV called the **SOLO**. This three-wheeled vehicle will revolutionize the urban driving experience, including commuting, delivery and shared mobility. The **SOLO** provides a driving experience that is unique, trendy, fun, affordable and environmentally friendly. InterMeccanica, a subsidiary of ElectraMeccanica, has successfully been building high-end specialty cars for 62 years. For more information, please visit [www.electrameccanica.com](http://www.electrameccanica.com).

### **Safe Harbor Statement**

*Except for the statements of historical fact contained herein, the information presented in this news release and oral statements made from time to time by representatives of the Company are or may constitute "forward-looking statements" as such term is used in applicable United States and Canadian laws and including, without limitation, within the meaning of the Private Securities Litigation Reform Act of 1995, for which the Company claims the protection of the safe harbor for forward-looking statements. These statements relate to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management. Any other statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "expects" or "does not expect", "is*

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